

DATE: October 28, 2005

TO: Gerry Oligmueller, State Budget Administrator
DAS Budget Office

FROM: Randal P. Hansen
Assistant General Manager – Administration & Finance

CC: Kathy Tenopir, Legislative Fiscal Office
Dave Wagaman, Senior Budget Management Analyst

RE: Deficit Request

The Nebraska Educational Telecommunications Commission, Agency 47, respectfully submits the following deficit request. Please see the following pages for a more complete explanation of the deficit situations existing for FY 2006 and FY 2007. All of these requests require new General Fund Appropriations. We request consideration for funding the following deficit situations for Program 533.

<u>Request Description</u>	<u>Program</u>	<u>FY 2006</u>	<u>FY 2007</u>
Increased Utility Costs for Carpenter Center	TV (533)	\$28,325	\$56,650
Closed Captioning operating costs	TV (533)	\$22,933	\$45,866
Closed Captioning one-time equipment costs	TV (533)	\$7,800	\$0
LB1092 Depreciation charge	TV (533)	\$0	\$2,500

1. Increased Utility Costs for Terry M. Carpenter Center

The NETC purchases chilled water and steam heat from the University of Nebraska-Lincoln and electricity from LES for the Terry M. Carpenter Nebraska Educational Telecommunications Center. We have been notified of the following rate increases for these services effective January 1, 2006. Steam Heat: 40% and Electricity: 9%. Thus we are anticipating the total annual budget for Carpenter Center utilities will increase to \$501,650 as of January 1, 2006. The NETC will need additional funding of \$28,325 to cover these costs for half of the current fiscal year and \$56,650 for FY 2007.

2. Closed Captioning costs

Existing Federal Communication Commission (FCC) regulations require television stations to provide closed captioning for some, but not all programs they broadcast. New regulations that take effect on January 1, 2006 require closed captions on virtually all broadcast programs. Though NET Television presently offers closed captions on many of its locally produced programs, we will need to provide this service on nearly everything that is presented on NET1, including live sporting events and public affairs programs. Because of the unique nature of placing closed captions on programs (especially live productions such as sports) NET Television outsources most of this work. Estimated annual operating costs for these services related to approximately 300 hours of programming is \$35,554, which includes the cost of several additional toll free phone lines. Estimated annual UNTV contracted services costs for a closed captioning .25 allocated FTE is \$10,312. The deficit request also includes a one-time cost for equipment of \$7,800.

3. LB1092 Depreciation charge

In the previous Legislative session, the total maximum construction costs for the Carpenter Center renovation project was increased by \$250,000, from \$13,189,605 to 13,439,605. Since the "substantial completion" date for this entire project is still the spring of 2005, the related LB1092 Deprecation assessment will increase effective in FY 2007. Currently that assessment is 1% of the new construction costs or \$2,500. The NETC will be billed for these new fees effective July 1, 2006.

Form Number 500

Agency Adjustment Summary

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER
	CODE & DESCRIPTION
AGENCY	Increased Utility Costs for Carpenter Center
47	Closed Captioning Costs
	LB1092 Depreciation Charge

EXPENDITURE ACCOUNT	ADJUSTMENTS	
	2005-2006	2006-2007
Permanent F.T.E. Positions		
511100 Permanent Salaries - Wages		
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
Sub-Total Salaries	0	0
515100 Retirement Plans Expense		
515200 OASDI Expense		
515400 Life and Accident Insurance Expense		
515500 Health Insurance Expense		
All Other Personal Services		
Sub-Total Benefits	0	0
510000 Personal Services	0	0
520000 Operating Expenses		
Utilities	28,325	56,650
Programming Costs	22,933	45,866
LB1092 Depr Charge		2,500
570000 Travel Expenses		
580000 Capital Outlay	7,800	
590000 Government Aid		
Total Expense	59,058	105,016
Means of Financing		
General Fund	59,058	105,016
Cash Fund		
Federal Fund		
Revolving Fund		
Total Funding	59,058	105,016

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	047	Increased Utility Costs
PROGRAM	533	
REQUEST	01	

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

FY 2006FY 2007

Increased Utility Costs for Carpenter Center

TV (533)

\$28,325

\$56,650

The NETC purchases chilled water and steam heat from the University of Nebraska-Lincoln and electricity from LES for the Terry M. Carpenter Nebraska Educational Telecommunications Center. We have been notified of the following rate increases for these services effective January 1, 2006. Steam Heat: 40% and Electricity: 9%. Thus we are anticipating the total annual budget for Carpenter Center utilities will increase to \$501,650 as of January 1, 2006. The NETC will need additional funding of \$28,325 to cover these costs for half of the current fiscal year and \$56,650 for FY 2007.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

PAGE NUMBER

CODE & DESCRIPTION

AGENCY 047

Increased Utility Costs for Carpenter Center

PROGRAM 533

REQUEST 01

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2005-2006	2006-2007	2005-2006	2006-2007
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages	2,775,000	2,875,000		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	2,775,000	2,875,000	0	0
515100 Retirement Plans Expense	180,000	185,000		
515200 OASDI Expense	193,000	199,000		
515400 Life and Accident Insurance Expense	1,000	1,000		
515500 Health Insurance Expense	405,000	450,000		
All Other Personal Services	34,670	35,000		
Sub-Total Benefits	813,670	870,000	0	0
510000 Personal Services	3,588,670	3,745,000	0	0
520000 Operating Expenses	1,667,499	1,650,000		
Utilities	1,095,000	1,095,000	28,325	56,650
Prod & Contracted Svc	1,379,000	1,400,000		
LB1092 Depr Charge	49,071	180,967		
Programming Costs	343,000	345,000		
570000 Travel Expenses	200,200	185,919		
580000 Capital Outlay	600,000	600,000		
590000 Government Aid				
Total Expense	8,922,440	9,201,886	28,325	56,650
Means of Financing				
General Fund	8,732,618	9,009,127	28,325	56,650
Cash Fund	189,822	192,759		
Federal Fund				
Revolving Fund				
Total Funding	8,922,440	9,201,886	28,325	56,650

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

		Page Number
	CODE	DESCRIPTION
AGENCY	047	Closed Captioning Costs
PROGRAM	533	
REQUEST	02	

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

		<u>FY 2006</u>	<u>FY 2007</u>
Closed Captioning operating costs	TV (533)	\$22,933	\$45,866
Closed Captioning one-time equipment costs	TV (533)	\$7,800	\$0

Existing Federal Communication Commission (FCC) regulations require television stations to provide closed captioning for some, but not all programs they broadcast. New regulations that take effect on January 1, 2006 require closed captions on virtually all broadcast programs. Though NET Television presently offers closed captions on many of its locally produced programs, we will need to provide this service on nearly everything that is presented on NET1, including live sporting events and public affairs programs. Because of the unique nature of placing closed captions on programs (especially live productions such as sports) NET Television outsources most of this work. Estimated annual operating costs for these services related to approximately 300 hours of programming is \$35,554, which includes the cost of several additional toll free phone lines. Estimated annual UNTV contracted services costs for a closed captioning .25 allocated FTE is \$10,312. The deficit request also includes a one-time cost for equipment of \$7,800.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

PAGE NUMBER

CODE & DESCRIPTION

AGENCY 047

Closed Captioning Costs

PROGRAM 533

REQUEST 02

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2005-2006	2006-2007	2005-2006	2006-2007
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages	2,775,000	2,875,000		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	2,775,000	2,875,000	0	0
515100 Retirement Plans Expense	180,000	185,000		
515200 OASDI Expense	193,000	199,000		
515400 Life and Accident Insurance Expense	1,000	1,000		
515500 Health Insurance Expense	405,000	450,000		
All Other Personal Services	34,670	35,000		
Sub-Total Benefits	813,670	870,000	0	0
510000 Personal Services	3,588,670	3,745,000	0	0
520000 Operating Expenses	1,667,499	1,650,000		
Utilities	1,095,000	1,095,000		
Prod & Contracted Svcs	1,379,000	1,400,000		
LB1092 Depr Charge	49,071	180,967		
Programming Costs	343,000	345,000	22,933	45,866
570000 Travel Expenses	200,200	185,919		
580000 Capital Outlay	600,000	600,000	7,800	
590000 Government Aid				
Total Expense	8,922,440	9,201,886	30,733	45,866
Means of Financing				
General Fund	8,732,618	9,009,127	30,733	45,866
Cash Fund	189,822	192,759		
Federal Fund				
Revolving Fund				
Total Funding	8,922,440	9,201,886	30,733	45,866

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Form Number 510

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

		Page Number
	CODE	DESCRIPTION
AGENCY	047	LB1092 Depreciation Charge
PROGRAM	533	
REQUEST	03	

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

		<u>FY 2006</u>	<u>FY 2007</u>
LB1092 Depreciation charge	TV (533)	\$0	\$2,500

In the previous Legislative session, the total maximum construction costs for the Carpenter Center renovation project was increased by \$250,000, from \$13,189,605 to 13,439,605. Since the “substantial completion” date for this entire project is still the spring of 2005, the related LB1092 Deprecation assessment will increase effective in FY 2007. Currently that assessment is 1% of the new construction costs or \$2,500. The NETC will be billed for these new fees effective July 1, 2006.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

PAGE NUMBER

CODE & DESCRIPTION

AGENCY 047

PROGRAM 533

REQUEST 03

LB1092 Depreciation Charge

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2005-2006	2006-2007	2005-2006	2006-2007
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages	2,775,000	2,875,000		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	2,775,000	2,875,000	0	0
515100 Retirement Plans Expense	180,000	185,000		
515200 OASDI Expense	193,000	199,000		
515400 Life and Accident Insurance Expense	1,000	1,000		
515500 Health Insurance Expense	405,000	450,000		
All Other Personal Services	34,670	35,000		
Sub-Total Benefits	813,670	870,000	0	0
510000 Personal Services	3,588,670	3,745,000	0	0
520000 Operating Expenses	1,667,499	1,650,000		
Utilities	1,095,000	1,095,000		
Prod & Contracted Svcs	1,379,000	1,400,000		
LB1092 Depr Charge	49,071	180,967	0	2,500
Programming Costs	343,000	345,000		
570000 Travel Expenses	200,200	185,919		
580000 Capital Outlay	600,000	600,000		
590000 Government Aid				
Total Expense	8,922,440	9,201,886	0	2,500
Means of Financing				
General Fund	8,732,618	9,009,127		2,500
Cash Fund	189,822	192,759		
Federal Fund				
Revolving Fund				
Total Funding	8,922,440	9,201,886	0	2,500

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.